The Story of Gold. By EDWARD SHERWOOD MEADE. New York: D. Appleton & Co., 1908. 12mo, pp. xvi+206. Illustrated.

The World's Gold. By L. DELAUNAY. Translated by O. C. WILLIAMS, with an Introduction by CHARLES A. CONANT. New York: Putnam, 1908. 8vo, pp. xxxii+242.

We have here two books treating the same subject differently. Both aim to give the geological formation, geographical distribution, and methods of extraction of gold, together with some technique of mining, followed by an economic study of the future effects of gold-production. One is by an American professor of finance, and the other by a French professor in a school of mines.

The former proposes to interest the public in a popular way in the facts and romance of gold-mining. With numerous illustrations the author succeeds in making a very readable book. Throughout the volume, however, the discussion is permeated with a questionable theory of the direct relation between the periodical production of gold and industrial prosperity; as the production of gold falls off we have depression, as it increases we have activity. This is much too extreme a position to take without further proof than that given in this book. It is open to the objection that it omits the operation of a plurality of causes; and it gives the impression of superficial work inconsistent with the author's general reputation. For instance, it is suggested that the small production of gold in the period from 1819 to 1829 led to a fall of prices. Yet the explanation of prices would hardly bear out the theory, if we rely on Tooke, who is not quoted at all, although Newmarch is. Prices, indeed, in this period were related to silver in most countries; and yet silver at that time was just feeling the effects of the enormous production in Mexico from 1780 to 1810. But, as concerns gold alone, M. de Foville, taking the average of family budgets, shows that the value of gold diminished 25 per cent. between 1825 and 1875—a period to 1850 regarded by the author as marked by a serious deficiency of gold. Again, he makes gold as practically synonymous with capital (p. 151), and believes the panics of 1893 and 1907 were caused by an insufficiency of gold. Those conclusions are quite too sweeping, and jump with the curious and eccentric study of Brooks Adams showing silver and prosperity as cause and effect. Why should a yield of gold alone bring prosperity? Why should not a billion dollars worth of new corn or wheat have as much effect on prosperity as a billion dollars worth of gold? Is there any difference except as to the durability of gold?

The volume of M. Launay covers much the same field, but he is caught tripping in his economic thinking by Mr. Conant. The former says "gold is wealth and the whole of wealth" (p. xvi), and reasons on the rate of interest as if gold and capital were synonymous. To this Mr. Conant remarks that it is not gold which the capitalist requires; and that "the permanent rate for the use of capital must depend upon the supply of capital in all its forms, of which gold is only one" (p. x). Also it is impossible to accept M. Launay's idea that a minted coin "is a draft upon the government" (p. xv).

The geological and technical information given by the French author seems to be wide and scientific, and not in the more popular vein of Mr. Meade.

There is a good section (pp. 157–66) on the nature of gold statistics. Also, on the average of the last fifty years, he estimates the consumption in the arts at from 40 to 50 per cent. of the output of gold, while 44 per cent. goes into money. The abrasion of gold coins he finds to be $\frac{1}{1000}$ every eight years, or a total loss in 8,000 years; and he thinks that one-half the total output since the discovery of America has been lost or has passed into industrial uses (p. 191). In his economic study of the relation of gold to prices he takes issue with the classical theory: "The direct influence of the gold output upon prices seems to have been far less perceptible than that of industrial progress, changes in the means of transport, and alternating crises in financial speculation" (p. 209). Consequently, the author finds the high prices of recent years due less to an abundance of gold than to higher wages of labor and other influences affecting the cost of producing goods. In this matter he affords confirmatory argument to the thesis presented elsewhere in this journal on *Gold and Prices.*

These two books are harbingers of a revival of the discussion on the fundamental causes of prices which has been forced by the events of the last decade, and the great production of new gold. L.

The Book of Wheat. By Peter Tracy Dondlinger. New York: Orange Judd Co., 1908. Pp. viii+369.

This book has a twofold object as is seen in the subtitle, "An Economic History and a Practical Manual of the Wheat Industry." The first part discusses in a scientific and practical way such subjects as improvement of the wheat grain and plant, cultivation, harvesting, diseases, and insect enemies. The second part is concerned chiefly with transportation, storage, marketing, milling, and consumption problems. Numerous illustrations, a full bibliography, and a good index help to make the book serviceable.

The treatment is for the most part satisfactory, giving in simple language reliable facts well interpreted. Of more than common interest is the chapter on the price of wheat. The various forces affecting the local, primary, and foreign markets are carefully analyzed. Speculation, both as a legitimate and as an illegitimate factor is treated with discrimination; and the causes leading to the success or failure of "corners" are indicated.

In the account of competition and price in the primary market the author might well have been more specific. He gives only a hint of the important struggle between the farmers and the "line" and other elevator companies. At least a few of the dramatic incidents of this struggle, in such states as Iowa and Kansas, would have helped to give a proper portrayal of the subject. The author's evident desire to be impartial and free from dogmatism seems at times to have prevented his "speaking out."

The chief significance of the book will possibly be found by some persons to consist in the aid it gives to a more inductive study of economic science. For those who think that descriptive and statistical accounts of our various industries should necessarily precede the enunciation of definite economic laws with their proper modifications, this will probably be a welcome volume.

E. K. Eyerly

The University of Chicago